

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SEPARATION OF COSTS OF REGULATED)	
TELEPHONE SERVICE FROM COSTS)	ADMINISTRATIVE
OF NONREGULATED ACTIVITIES)	CASE NO. 321

O R D E R

On December 22, 1988, the Commission issued an Order concluding its investigation of the cost allocation procedures to be used by the Independent Telephone Group ("ITG").¹ Included in the ITG at that time were the Leslie County Telephone Company, Inc. ("Leslie") and Salem Telephone Company ("Salem"). Subsequently, in Case No. 10433² and Case No. 89-197,³ Leslie and Salem were purchased by Telephone and Data Systems, Inc. ("TDS"), a company which among other activities maintains and operates telephone companies in 26 states.

¹ Ballard Rural Telephone Cooperation Corporation, Inc.; Brandenburg Telephone Company, Inc.; Duo County Telephone Cooperative Corporation, Inc.; Foothills Rural Telephone Cooperative Corporation, Inc.; Harold Telephone Company, Inc.; Highland Telephone Cooperative, Inc.; Lewisport Telephone Company, Inc.; Logan Telephone Cooperative, Inc.; Mt. Rural Telephone Cooperative Corporation, Inc.; North Central Telephone Cooperative, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; Salem Telephone Company; South Central Rural Telephone Cooperative Corporation, Inc.; Thacker-Grigsby Telephone Company, Inc.; West Kentucky Rural Telephone Cooperative Corporation, Inc.

² Case No. 10433, Joint Application of Leslie County Telephone Company for the Approval of the Acquisition of the Leslie County Telephone Company by Telephone and Data Systems, Inc.

³ Case No. 89-197, The Matter of the Joint Application of Salem Telephone Company for the Approval of the Acquisition of Salem Telephone Company by Telephone and Data Systems, Inc.

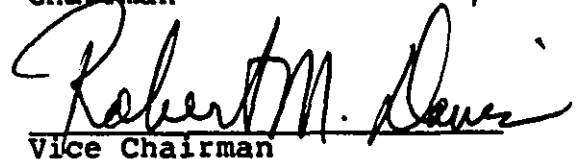
As Leslie and Salem are now owned and operated by TDS and are no longer a part of the ITG, the Commission finds that TDS should be required to file its Cost Allocation Manual in accordance with the Order dated June 26, 1989 and file all information requested of companies in that Order.

IT IS THEREFORE ORDERED that TDS shall file a copy of its Cost Allocation Manual and all other information requested in the above-mentioned Order, within 30 days of the date of this Order.

Done at Frankfort, Kentucky, this 1st day of November, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director